THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

December 11, 1948

SCORCHED EARTH POLICY

AN EDITORIAL

The Interim Period

American Businessman

ECA In Taiwan

J. Carlson Lewis

China's Teachers

Weyman Ling

WHAT ABOUT SHANGHAI?

AN EDITORIAL

VOLUME 112 GY12 NUMBER 2

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

An Appeal

To The Editor:

Being one of your faithful readers in China, I'm much obliged to your *Review* which gives me common sense both in politics and economics every week. Furthermore, reading the *Review* has improved my English quickly, I think.

But unfortunately GY5, your new price, for one copy of the *Review* seems very high to me. Really as a poor university student, I cannot afford to buy it. Of course this is due to the sudden inflation of our new currency in China. I believe that you always take into consideration the purchasing power of your public, especially poor students, national functionaries and professors who are really your good readers and suffer very much from the bitter inflation now raging throughout China. I don't know whether or not you are able to give any special consideration to those who want to but really cannot afford to buy the *Review*. Please give me your kind reply as soon as possible or please publish my letter in your magazine. Thanks a lot!

NIEH CHIN-LING.
Chiao-Tung University, Shanghai
November 24, 1948

Reader's Plea

To The Editor:

I know that GY10 is not enough to subscribe regularly to your valuable *Review* for a period of six months but I am in a very difficult position. I am just a high school student having no independent income and actually am very poor. My father is not a rich merchant or an official of high rank. He is only a poor hardworking farmer who, every year has to offer seven-tenths of his harvests to the landlord.

It is very difficult for him to pay my school tuition and other necessities to say nothing of giving me money to subscribe to publications. Poor as I am, I am not a bookworm who buries his head in text books all day. I always pay close attention to the newspapers and the magazines and observe how the world is changing every day and how the old and rotting society is being destroyed and how the new one is coming into existence.

Of all the magazines I read only your *Review* is one which deeply appeals to me. The special features which have been pointed out by many readers are all most welcome.

Dear editor, I hope that you will have pity on me because the Gold Yuan I have is obtained only through much difficulty and is collected in two ways. One is by washing my own clothes in order to save part of my laundry money and the other way is by writing for some papers to get a small reward. Will you send me your *Review* for six months to satisfy the heart of a poor student such as me? I hope that you will hold out your hand to help a poor student read your *Review*.

WANG SHUN-HUA.
Chungking
November 27, 1948

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Wants Enlightenment

To The Editor:

This letter has been written with the hope that those in authority will read it and rescind the "ex post facto" Regulations for the Punishment of Traitors. (Law Promulgated on December 6, 1945).

According to *Reuter*, dated Paris, October 29, 1948, the United Nations Committee on Human Rights drew up article 9 of a 32 article declaration as follows: "Everyone charged with a penal offense has the right to be presumed innocent until proved guilty according to law in a public trial at which he has all the guarantees necessary for his defense. No one shall be held guilty of any penal offense on account of any act or omission which did not constitute a penal offense under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the offense was committed."

With few exceptions the majority of the so-called collaborators in Shanghai were forced to collaborate with the Japanese under pressure. Besides those neutrals and stateless persons living in the former French Concession and in the International Settlement of Shanghi cannot by any stretch of the imagination be considered as guilty of any crimes in collaborating with the Japanese, unless the person accused committed some act of atrocity. It should be pointed out that the Chinese National Government had no jurisdiction in these areas until after VJ Day.

Will some authority on jurisprudence kindly enlighten me in this matter?

A VICTIM.

Shanghai
November 18, 1948

Hongkong Report

To The Editor:

While typing this letter, the Communist *New China News Agency* is broadcasting its request to the Kuomintang defenders of Mukden for unconditional surrender. The broadcast was made in the name of General Lin Piao, Commander of the "Liberated Armies" of the Northeastern provinces. The message said that "the Generalissimo had already lost the war; his most trustworthy generals, Li Hung and Cheng Tung-kuo, had surrendered; General Liao Yao-hsiang's troops had been completely annihilated. The Kuomintang's reactionary cliques and their American imperialist friends days are numbered." The defenders are told to keep all arms, ammunition, arsenals and godowns intact.

Wah Hsiang Pao and *Wen Hui Pao*, leftist vernacular papers, both reported the downfall of the Generalissimo as imminent. The departure of General Tsai Ting-kai, Shen Chun-ju, Tan Ping-shan and Chang Pah-chun was generally recognized as an attempt on the part of Hongkong leftists to participate in the new government sponsored by the Reds.

The loss of Manchuria is a result of a blunder made by the Generalissimo. After the capitulation, Manchuria would have been saved from the Reds if the Manchurian leaders, especially Marshal Chang Hsueh-liang, General Chang Tso-hsiang, General Li Tu and others were dispatched there with power to organize. Instead of doing this, the Generalissimo sent a big group of carpet-baggers from Kiangsu and Chekiang, thus alienating the loyalty of the Manchurians

The inherent suspicion of the Kuomintang's ruling class with regard to their administration of American aid, etc., became the determining factor for the Generalissimo's disaster. American

trained officers with best American equipment were exiled to Changchun and Mukden completely isolated and unsupported until they were forced to give up all their arms to the Reds, thus making the Kuomintang's ruling clique the biggest transportation company for carrying American military weapons to the Bolsheviks—free of charge and best of service. Yet back in the United States, Henry Luce, Walter Judd and Company still cry aloud that Truman has not aided the Kuomintang's ruling clique enough.

KONG TUNG-JEN.

Hongkong
November 20, 1948

UN Query

To The Editor:

The United Nations Organization has been established for three years. During that time it can be said that little has been done to fulfill the principles of the Atlantic Charter. What little this organization has accomplished is overshadowed by its inability to settle any of the vital issues it has been faced with.

The UNO was the outcome of World War II and its aim was to establish international peace and security and thus efface the possibility of a third world war. Apparently, the horrors of war do not seem to live long in the memories of men. The very nations who gathered to create this organization are now trying to disintegrate it for selfish purposes.

What is the reason for this? Firstly, the institution of the "veto," or power of rejection, was the focus of non-cooperation instead of being what was supposedly the most democratic method of settlement. The United States accused Russia of abusing this privilege. To this Russia replied that no privilege could be abused so that these two nations have become opposite members in the organization. This being the case, most of the important discussions have been pigeonholed and international disputes cannot be solved. Secondly, the resumption of "areaism" has become a most serious obstacle in the program. Before the United Nations was formed, several organizations had been shaping themselves after the end of World War II, like the East-European Group and the West-European Alliance. These groups had considerable influence in shaping the fate of the world. Today there is the Atlantic Allied Defense group and the Asia Group, both of which are a menace to world peace.

It is indeed grevious for peace-loving people of the world to see that the UNO has done nothing toward world unity and peace. Only if the principles of the Charter still exist in the minds of the great powers, can there be sincere cooperation in trying to establish eternal peace and security.

WU SIN-TAO.

Canton
November 10, 1948

Early Peace

To The Editor:

I am dissatisfied with the opinions of several readers which you recently published. These readers claim that the Communists are traitors and that the only way to save China from danger is to defeat Communism. It seems that all the misfortune and disorder of present-day China is caused by the Communists. This is not true.

No one can deny that both the Kuomintang and the Communist Party are responsible for the Civil War. The Chinese people do not want war; they only want to live calmly and safely. To live peacefully is the first right of human beings. Those who help us and let us live are our friends and we back them up. I need no play of words. The people's eyes are bright. The Chinese are waiting for a bright future, and they have had no say in the present situation.

It must be known that peace is a concern of the whole world. The conflict between KMT and CP is but a small part of the large conflict between America and Russia. If the big conflicts are satisfactorily settled, the small one will soon disappear. Let us hope that the cold war between Russia and America will be ended right away, and that world peace will come shortly.

C. C. HUA.

Pukiang Middle School, Chekiang
November 20, 1948

Change Needed

To The Editor:

The complaint of the people against the Government is very wide-spread. As a Hunanese I am in a position to speak for the *lao pai hsing* of interior China. There is a Chinese saying, "Whoever has nursed the baby is the mother." The Bandit Suppression Campaign of three months, proposed by Chen Chun, was backed by the people, but a long fratricidal strife means extirpation of the whole nation. We are crying against any civil war that is longer than three months.

The Hunanese have offered the Government great manpower, much rice and other resources; we have gotten in return chaos, confusion, losses from the galloping inflation of CNC and the unexpected fluctuation of GY, and have been cheated out of bullion and silver by the sleight-of-hand trick with the new legal tender.

Undoubtedly the currency reform was an attempt by the KMT to get out of hot water. With the failure of the GY policy, the Government is going to face annihilation.

The Government armies are so spiritless and tired that they are no longer willing to resist. People place no confidence in the Government. Our leader, President Chiang, has eaten his words that the central China Reds could be wiped out within three months. By now he should have given up his military conquest policy. Not only would he by no means incur dishonor by re-opening peace talks, but he would be appreciated for saving the people from the "raging fire and deep water." Otherwise, the poor subjects have no choice but to wait for a "change-over" in the Government.

SHERWOOD.

Changsha, Hunan
November 22, 1948

Best Wishes

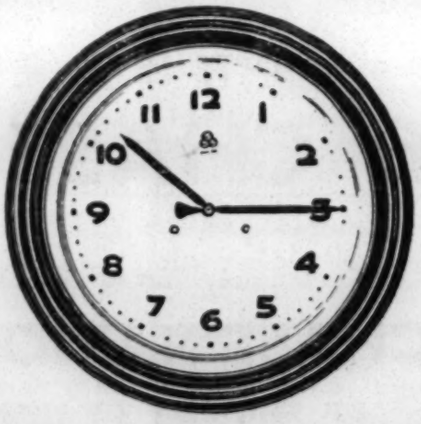
To The Editor:

We sincerely hope that you will publish this open letter to the wishful leader of the Flying Tigers.

"Dear General Chennault,

As there is no chance for you to talk with us, we feel obliged to address these few words to you.

The situation in China since the end of the Second World War has been going backwards. Doubtless, thousands of Chinese have died in the Civil War while there has been a great deal of starva-



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tion and other miseries during the last two or three years. We, a group of Chinese students, are very sorry and enraged by the news that you want to form a new Flying Tiger airforce in order to assist Chiang Kai-shek against the Communists.

As you may possibly know, such a scheme would do great harm to our innocent *lao pai hsing* and the people of China are not worthless lower animals but they are wise and as worthy as other people. Finally, we hope that you will think this matter over.

With best wishes to you.

George S, Johnson C, Jonefield H, Nelson M, Jimmy T, Stephen W"

Wuchang, Hupei
December 1, 1948

Friend No Longer

To The Editor:

I was on fire for hours after hearing the news that General Chennault wanted to revive his Flying Tigers in China's Civil War.

We Chinese are good at remembering things; we remember that Chennault was once a friend of ours whose name was spoken with great reverence and his Flying Tigers meant a great deal in the war of resistance against Japan. It, therefore, goes without saying that we should thank him with all our heart and hold him in esteem for his friendship shown so well several years ago.

But now, sorry to say, we forget all this when we see to our great regret that our friend turns into an enemy who would shoot and bomb our brethren in our own country. We no longer respect him, though he may be highly praised by our Government which is already Americanized. In fact, we Chinese have suffered too much from the fratricidal war to let anyone add to our misfortune by blowing on the fire which is on the verge of going out.

While it doesn't seem too late for things to be turned back, I should like to ask General Chennault to take this matter into full consideration; I am afraid that if he sticks to his desire, he shall pay very dearly for what he wants to do rather than gain something out of it.

WANG SHIAW YONG.

Kunming
November 30, 1948

Election Analysis

To The Editor:

Since the newspapers in Shanghai so inadequately covered the US elections, perhaps your readers would be interested in the following general analysis of the part Wallace and his Progressive Party played.

It should be recognized that the Wallace vote, while small, played an important part. For one thing, it forced the Democrats to campaign on Roosevelt's program. Their vote was low because their energy had to be spent on making the ballot in many states rather than in getting votes. They accomplished an almost unbelievable record in this respect and got on the ballot in 45 states in the face of all kinds of intimidation, and the usual red-baiting. They missed the boat in states like Illinois only by a hair, actually getting the necessary names on their petitions, only to see their work thrown out a mere three weeks before the election and therefore, negating any recoup attempt.

Where the Progressive Party had an existing political organization, such as the American Labor Party in New York, they made an excellent showing. ALP actually increased its votes. However, generally the Progressives had little support among labor. This is attributed to the fact that they had neither the time nor the forces to make inroads in this field, especially since labor leaders generally would not lend support. Once again, where the Progressive Party had the forces and could take its message to the rank and file, they made a showing. For instance, in one mining town in Pennsylvania there were 498 votes cast. 497 were for Wallace.

Wallace's showing in the South was also interesting. The figures are small —Florida 11,000, Louisiana 2,000, North Carolina 2,500, Mississippi 500. But consider that these votes were cast for the most outspoken anti-Jim Crow ticket and in many places the Klu Klux Klan rode herd before the election and in some places the usual practice of not counting the Negro vote was effected.

Therefore, while Truman got the votes, aided by the American Democrats for Action sounding that he was the "lesser of two evils," the Progressive Party forced a liberal campaign and at the same time announced their platform for the future. Their plan is to take this Franklin D. Roosevelt program, which they are sure will not be implemented, and build a political organization city block by block.

I would like to close with what can be considered an indication of why the Progressive Party's certainty of non-implementation of FDR's progarm is on sound ground. Recently, President Truman was asked if he was going to follow up on his campaign line and continue to give the "reactionaries" hell. He replied, "No, I'm through giving them hell. We're all going to work together."

J. P. EDWIN.

Shanghai
November 29, 1948

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Vol. 112 Shanghai, Saturday, December 11, 1948 No. 2

Scorched Earth Policy

THE Nationalist Government has so far given us but one example of what it calls its scorched earth policy. That was the destruction by naval guns of the Kailan Mining Administration's harbor installations at Chinwangtao. This new "policy" on the part of the Nationalists has caused considerable surprise in local circles, especially since in the past it seemed the "policy" of the Central Government to leave everything, including stores of munitions and other military supplies, intact when the Communists came.

There have been many rumors since the Chinwangtao incident purportedly explaining the reason. While we are continually told by the authorities not to listen to such gossip, some of these rumors perhaps seem pertinent, particularly since the Government has so far declined to elaborate upon its new "policy" of scorching the earth in areas being evacuated.

One thing seems certain. The National Government has given up forever any hope of driving the Reds out of Chinwangtao. This is a serious admission and in view of the present precarious situation in the Nanking area will do nothing to instill confidence among the people or among the few remaining all-out foreign supporters of the Nanking regime. In the past it was always the "policy" to withdraw from a position after making many declarations about how the Reds would be chased out again very shortly. For quite some time these statements seemed to come true, with important points changing hands frequently. Now, it would seem, the Government has resigned itself to the prospect of permanent Red control of large areas of China.

Another thing that is certain is that the destruction of the Chinwangtao installation will arouse opposition in many quarters abroad. The United States is a capitalist country and capitalists don't look with favor upon the destruction of property, even by capitalists. In the case of Chinwangtao, the Kailan installations are owned jointly by British and Chinese interests and already protests on behalf of the British owners have been made to the Nanking Government.

However, as the war spreads to other areas now held by the Nationalists, the property of other foreign nationals may qualify for destruction. In Shanghai, for example, the power and telephone companies are American-owned, while the water and gas companies are British-owned. The commencement of a scorched earth policy so late in the game will not make Madame Chiang's mission to the United States any easier. For a regime that is pleading for foreign aid, the inauguration of a scorched earth policy which so far has been confined to one installation partially owned by foreigners doesn't make much sense.

It could be argued, of course, that it was absolutely necessary to destroy the Chinwangtao port installations because they would be of great military value in Red hands. This does not necessarily follow. As we understand it, the Nationalists plan to use their American and British furnished navy to blockade all Red-held ports. If a port is blockaded, what is the use of destroying it? To pursue the matter further, it might even be argued that it was necessary to put the Kailan mines out of operation in order to deprive the Reds of coal. The destruction of the Chinwangtao installations can hardly accomplish this so long as the Kailan Mining Administration has a coal stockpile above ground sufficiently large to fill all Communist needs for months on end.

Another rumored explanation is that the destruction was done deliberately as a warning to the British not to get too chummy with the Reds or as retaliation for the sanctuary the British have given the Reds in Hongkong. This we think is extremely unlikely. Nobody could be that stupid.

Obviously, it is impossible to know just why the Nationalists suddenly hit upon the idea of a scorched earth policy at this rather late stage of the game, when vast areas with many important installations have already been given up to the Communists without any destruction carried out. Therefore, it would seem, we must be content with the simple explanation that the Government has tardily decided to scorch the earth.

Although we may have to accept such a policy, there is no reason why we have to like it or why we can't point out why we think it is a mistake. We have already listed a few possible reasons and possible consequences, but the most important reason is that such a policy inflicts upon the Chinese people a cruel punishment which they in no way deserve.

When a large installation of any sort is destroyed, the greatest losers are the Chinese people, regardless of the future tide of the war and regardless of the property owners who suffer. The destruction of the Chinwangtao installation, for example, will hamper the supply of coal in this country for a long time to come. Industries in many areas will face shortages for years. The nation will suffer in reduced production of a great variety of materials. This can easily be seen when it is remembered how many

electric power plants in China depend upon Kailan coal. Cotton mills, flour mills, public transit systems and a vast number of other enterprises are affected by anything that affects the power supply. A more immediate blow has been delivered to the Kailan miners whose employment has been interfered with.

If this policy of wrecking industry is carried out by the Nationalists in any more areas which they may be forced to give up, the blow to the Chinese people may well be crippling. If the Government in Nanking actually holds the welfare of the people as dear as it claims to, it is hard for us to understand how such destruction can be justified. Despite their acceptance of a foreign ideology, the Chinese Communists can hardly be considered a hated foreign invader—like the Japanese—under whose yoke no Chinese can live and who must be driven out no matter what the cost to the nation. Chinese are fond of saying that there always will be a Chinese nation. This, we think, is true and it seems to us that no regime is justified in depriving the people of man-made improvements just because it thinks it is losing its grip. China will not necessarily die with the Kuomintang, if the KMT should in fact finally disappear.

A lot of the industrial and other installations which might be totally or partially wrecked by a systematic scorched earth program pre-date the present Government. Civil wars have surged around and past them for many years. It would be a great pity if, through a misguided attempt to implement a total war policy, all the material developments which this country has so painfully acquired through several decades were to be wiped out and the present generation forced to start from scratch.

What About Shanghai?

ONE of our readers has asked us if we had given any serious thought to the question of what is going to happen to Shanghai, providing of course, that the Nationalists are eventually forced to fall back from their present positions and to carry on the war from south China. We replied that we had. In fact only last week we discussed the whole problem of America's dilemma at this stage of events in China and offered a few alternative paths which events might conceivably follow.

However, under persistent questioning, we admitted that we had not explored all the possibilities that had occurred to us and we doubt if it is possible for anyone to do so without a crystal ball. However, taking the advice of the aforementioned reader, who is the author of the article appearing on page 33, we've decided to try, especially since this man pointed out, and we agreed, that some public discussion was important, particularly if it brought forth any concrete ideas as how to solve some of the tough spots Shanghailanders might find themselves in. Such speculation, of course, is useful only in the case that the Nationalists eventually do give up Shanghai. At present local authorities have shown no signs of any such intention and many Government officials of considerable importance have given the public their word that the Communist tide will be stopped short of Nanking.

Our reader, we might add, is something of a pessimist regarding future events in this city. While we are not exactly pessimistic we must admit that our calm has been shaken a bit by the scorched earth policy of the Nationalists at Chinwangtao. If similar tactics were employed here it presumably would mean the destruction of the Shanghai Power Company, the Shanghai Water Works, the Shanghai Gas Company, the public transit systems, etc. If such destruction were carried out here prior to an eventual Nationalist withdrawal, conditions might become critical indeed. Shanghai is no village or small town which could solve the electricity problem by going back to candles or lamps for light. It is an industrial city which would probably become a scene of chaos. Scores of thousands would suddenly be thrown out of work if the power supply failed, while literally millions would suffer from lack of water. The prospect is almost too terrible to imagine. In fact it seems unlikely that either the Kuomintang or the Communists would want to take the responsibility for perpetrating such a crime against 5,000,000 Chinese citizens.

It is because of this fact of responsibility that we are not wholly pessimistic about the future of Shanghai. We are inclined to agree with the many Chinese who say that the warring parties will "find a way" when and if the time comes for a change of rule in this city. Also, there is the pressure of public opinion abroad, for whatever it is worth.

The same line of reasoning might hold true for fighting in some of the major cities, such as this one. Considerable public pressure in Shanghai, including that from a number of Kuomintang members, it is said, would be put upon the Nanking Government to do all it could to avoid fighting with its consequent destruction. If there is fighting, then all property could be presumed lost, while if the city is handed over peacefully, some kind of dicker might be made whereby at least some of the property of at least some of the Kuomintang members might be salvaged. The Communists, these same circles feel, will be receptive to such a suggestion since they

LOSING HAND ?

Durman's Studio—The Phoenix Gazette, NEA
"WHAT DO I DO NOW?"
Answer: wait and hope.

naturally will desire to take Shanghai over in running order and would just as soon not be faced with the problems of caring for nearly half a dozen million people wandering around in the ruins.

There is, of course, the possibility that those of us living in this city may place too much stock in such rumors or "hopes" because we so ardently wish for some peaceful solution if the war eventually reaches us here.

However, there are many other things to be considered by Shanghailanders who wish to prepare themselves, if only mentally, for the possible day when a change over may take place. There has been much talk about the interim period which might occur if Shanghai were to change hands. Many observers feel that while the Kuomintang and Communists may work out some way of avoiding a destructive fight here, there may be danger of looting and violence by the city's "masses" during the period which elapses between the end of Kuomintang control and the commencement of Communist control. At that time the unemployed, which conceivably could number tens of thousands, might riot and loot the city, looking for food and valuables.

Not only would such an occurrence cause many casualties, but it is likely that much damage to property might take place. We are not necessarily thinking of the homes of the wealthy which might be plundered or the rice shops which might be smashed. Such damage would be regrettable, but not irreparable. The serious and lasting damage might be in the city's industries. The public utilities, the cotton and flour mills and many other essential establishments which provide jobs and which create wealth might be damaged in greater or less degree. Such destruction would be a real loss to the Chinese people.

It has been suggested that the city organize itself in an attempt to avoid such rioting and destruction. For example, our reader suggested that one might start with the local labor unions and guilds, emphasizing the need for preservation of order. The various unions should be approached with the suggestion of protecting their own particular plants. No matter who owns a factory, it should not be destroyed. Wrecking of a flour mill, for example, would not be in the interests of the workers in that mill. They would lose their jobs, regardless of what kind of a Government came to power and regardless of whether the old owner remained or a new one arrived. This line of reasoning, it is felt, would make itself understood and workers, through their labor unions, could be organized into protection groups to guard their own factories during any interim period when the regular forces of law and order were not functioning.

The same approach could be made to the guilds, urging the various guild members and their respective staffs to provide for the protection of their own property. While such an organization might not be necessary, it obviously is an idea worth considering, especially should the war situation take a turn for the worse and the prospect of Shanghai being overrun by the Communists become more of a threat than it is today.

Presuming that Shanghai at some future date was taken over by the Reds and assuming that the Kuomintang had not destroyed any key installations and that there was no destruction from fighting and that the interim period was successfully passed, there would remain many problems for the city to face, Presumably, the Nationalists would at this point still have their naval forces intact and could institute a blockade.

While one might imagine that the Communists would be able to maintain order during such a period and work out some subsistence form of economy for the city, Shanghai would be in for a first class depression if foreign oil were not imported for the Shanghai Power Company. Life would be unpleasant, to put it mildly. This might be especially true for Americans since it would be perfectly obvious that the blockade was maintained by former American warships, fueled by American oil. Despite any particular unpleasantness for local Americans arising out of a naval blockade of the coast or an aerial blockade of highways and railways, the effects on the city might well be disastrous, since any interruption of normal communications with the rest of China—not to mention foreign ports—would seriously upset the city's economy. We had a slight taste of this during Chiang Ching-kuo's short rule here when there was no movement of food and commodities between Shanghai and the surrounding countryside.

We do not intend to be sounding an alarm needlessly by pointing out what we think are a few of the unpleasant possibilities which this city conceivably might face in the foreseeable future. We are not pessimistic enough to believe that they will all befall us. In fact we believe that we may miss them all, or at least feel only one or more of them in a slight form. Nevertheless, it is well to consider all the angles and, wherever possible, take what steps one may to avoid or lessen the severity of any of the aforementioned catastrophes on the off chance that we might actually face any or all in the future.

Needy Readers

AS economic conditions deteriorate—a direct result of the Government's military reverses — we have been receiving increased appeals from our needy readers who find the subscription price of the *Review* beyond their modest means.

We have done about all we can to keep the price of the *Review* within the reach of our

younger and less well off readers, holding down the regular price increases to a minimum level and granting special rates to students. In normal times it has been our practice to sell the *Review* at a price from three to four times the sales price of the English-language dailies in Shanghai. Gradually, through economies in our operation and through the giving up of any idea of doing anything but coming as close to breaking even as we can, we have allowed the gap to narrow until today each copy is sold at GY12, just GY2 above the price of a daily paper, a figure which almost represents the exact physical cost of each copy.

Because of the general business depression growing in Shanghai, the *Review's* advertising has fallen off sharply, the same as with other local publications. In the past the revenue from advertising helped us keep the subscription rates low. Advertising is of little help today.

We have done about all we can for our readers and still stay in business. We can operate without a profit for a while, but we cannot operate very long at a loss. Therefore, we must not only maintain the present sales price, but must increase it as our fixed charges—newsprint, printing, labor and other production expenses — mount. Although we might not be considered a business establishment in the ordinary sense of the word, we are in exactly the same position as any producer of a commodity caught in this seemingly never ending inflation.

We now have in our office an ever-growing pile of letters from readers who no longer can afford to buy the *Review*. We, in our turn, cannot afford to give it to them free. Since a number of readers have written in asking for old copies which other readers have finished, it has occurred to us that perhaps some of our readers would be willing to pass on their copy after they have finished reading it. This would be a great service to many would-be readers, especially among students and other younger groups. Any subscriber who wishes to share his copy of the *Review* may obtain the name and address of a worthy candidate by writing to this newspaper, the address of which will be found on page 25. Just drop us a brief note, telling us that you are prepared to pass on your copy of the *Review* when you are finished with it to a fellow reader who cannot afford to subscribe today. We will send you the name and address of a former reader by return mail.

25 Years Ago in *The China Weekly Review*

American Policy

December 8, 1923.

"America has a definite policy toward China based upon the Open Door, but the trouble with America's relations with China now is that America has no program." This statement was recently made by a prominent American newspaper man who has traveled in China almost as extensively as he has traveled in his own land. "The trouble with our State Department and our diplomatic service is that our officials are tremendously interested in the theory of diplomacy, but have little knowledge about how to get things done." This statement was made by another American newspaper man who knows little about conditions in China from actual contact, but who knows a great deal about political conditions generally in this part of the world. These two statements by trained observers in the field of international politics are significant at this time because they concentrate attention upon the weak point in the relations of the United States toward the present situation in China.

* * *

Taxation Of Land

"Amongst the newest forms of taxation is a decree ordering all persons to register mortgage deeds with foreign firms with the Chinese authorities, the fee being two percent of the value of the property. Since Dr. Sun has engaged in his policy of confiscation of property, many residents in Canton have transferred their holdings to foreigners for protection. It is in order to get hold of these people that the Cantonese authorities have issued the order refusing to recognize transfers which have not been officially passed and verified the fee which is $2 for every $100. To avoid the inconvenience of continual Government interference, it has been suggested by some of the supporters of the present regime that an insurance fee of two percent should be paid to the Government on all property to guarantee the holder against further inquisition into his titles and a further $1 per man for a badge to exempt the holder from being pressed into the military transportation service."

10 Years Ago In *The China Weekly Review*

Shanghai's Industrial Losses

December 10, 1938.

Direct losses of Chinese factories in Shanghai because of the current Sino-Japanese war are estimated to exceed $800,000,000, according to local industrial circles.

A special committee representing local Chinese and foreign insurance companies has been formed to study war risk insurance problems and measures to be adopted to meet such claims, according to well-informed circles. The question of meeting claims resulting from war will be studied and measures taken to meet them by the Special Committee. Problems other than those resulting from the present war, however, will be handled by the insurance companies themselves independently.

* * *

Russia And China Build Railways

Two new railway lines, which will serve as an improved artery for transporting munitions from the Soviet Union into northwestern China, are being rushed toward completion. The Chinese are now speeding up construction of a line extending from Paoki on the western border of Shensi province to Lanchow, capital of Kansu province, while the Soviets are converting the motor highway linking the Turksib Railway and the Chinese border with a new rail line.

Materials for the Paoki-Lanchow rail project were reportedly obtained by the Kuomintang forces from railways, in and near Japanese-occupied zones. A check-up has revealed that the rails and ties of the Lunghai Railway between Chengchow and Tungkwan on the east border of Shensi province as well as those of the Peking-Hankow Railway, north and south of Chengchow, had been completely removed and transported to Shensi and Kansu provinces.

Meanwhile work on the new "red route" on the Soviet side is being rushed through on a 24-hour schedule employing forced labor, it was said. The Paoki-Lanchow rail project is part of the extensive construction plans mapped out by the Chiang Kai-shek regime following the collapse of the Wuhan defense to develop the northwestern and southwestern areas of China in his avowed intention of protracted resistance to Japan.

THE INTERIM PERIOD

HOW CAN PUBLIC ORDER BE PRESERVED IN SHANGHAI?

American Businessman

THERE has been much talk about the "interim period" through which Shanghai may pass if the Government of Chiang Kai-shek is forced to retreat from this area. Such an "interim" would be the "period" of time falling between the Nationalists' evacuation and the Communists' arrival. While it is by no means certain that such an interim period will occur, the fact that it is one of several likely possibilities makes it important that we give some thought to the question.

The thing that is on the minds of all of us who live in Shanghai is the likelihood of rioting and general disorder which might occur during this interim period. After the Nationalist authorities have pulled out, there presumably would be no one in control of Shanghai. Even the police might leave with the troops. The city is filled to overflowing with refugees. In addition, there are thousands of unemployed. These people can almost certainly be counted upon to riot and to attempt to loot the city if they discover that there is no restraining authority. The small disturbances caused by these lower elements of society during the postwar years should give us a clue of what to expect if all police authority is removed, even if for only a day or two.

The slightest form of disorder under such conditions would be the prelude to city-wide rioting. A few minor riots—unsuppressed by quick police force—would be the fuse to the powder keg upon which we are living. The psychology of the people of Shanghai is such that thousands of dissatisfied, under-fed and ill-housed people would undoubtedly pour onto the streets in huge surging mobs looting stores, homes, warehouses, and factories.

It is hardly necessary to point out the desirability of preventing such a catastrophe from taking place here. As a foreign businessman in this city I am particularly interested in the preservation of law and order. Certainly there are many, many others, both foreign and Chinese, who would be interested in protecting their assets against the mob.

I do not wish to sound like a scared foreigner who is afraid of a Chinese mob and who simply desires to protect his own neck. I admit that I am considerably alarmed over the very likely prospect of mob violence, but I believe that it is in the interests of the entire city that order be maintained. Even the looters would suffer from their own violence. Suppose that fires were started during the rioting? All of us would lose in that case. Suppose that the mob went completely berserk and began senselessly wrecking property, including factories and public utilities?

We now come to the question of what we can do to preserve law and order during a possible interim period. I frankly do not know what can be done. However, I think I can make a few worthwhile suggestions. I take the liberty of offering my opinions because I feel that the matter is urgent and I have not noticed any particular move in this direction aside from the suggestion of sending the US Marines to Shanghai. This, of course, would be a solution, but it also might add to our difficulties. If there is no other solution, maybe the Marines provide the only answer. However, I believe that this is a Chinese problem which should be solved by the Chinese, with foreigners lending their services as advisers, perhaps on such matters as organization.

I do not pretend to know what the policy of the Chinese Communists might be if they reach Shanghai, but no matter how ruthless they may be they should certainly be grateful for the preservation of order. I, for one, have hopes of continuing business operations for some time to come, even if the Communists take over Shanghai. I may well be unable to continue business if the city is wrecked by looting mobs. It is this line of thinking which leads me to the belief that it would be better if the responsibility for preservation of order could be borne locally, rather than by depending upon an outside foreign force such as the Marines. If the civilian population of Shanghai organizes itself to keep the peace, the Communists cannot justly retaliate for our temporary assumption of the reins of government. However, if the administration is performed by United States Marines, Shanghai in the future may not be a healthy place for the American businessman.

I think the first step should be to call a meeting of representatives of the various chambers of commerce in Shanghai. The Shanghai Chinese Chamber of Commerce, of course, is the organization to start things moving. The cooperation of the foreign chambers of commerce should be solicited. I am not well informed upon the overall condition of labor in Shanghai, except that it is obviously restless and apparently frequently given to capriciousness and instability. Thus, it is more important than ever that some attempt be made to impress upon labor its stake in the Shanghai industrial plant. The question of ownership of property such as factories is of no importance at the moment. The important thing is to prevent its destruction. Labor has as much at stake in this as has management. The story to be firmly implanted in labor's mind is: If your factory is damaged or destroyed, you will lose your job. I think that this idea can be understood by labor. The enlistment of labor support would kill two birds with one stone. The mere fact that labor would be standing by as a protecting force would prevent labor from itself engaging in destructive rioting.

While the position of labor is important, even more important is the organization of the business community, since any direction of affairs must come from the latter group. It must be the businessman who takes the initiative and who assumes the job of organizing the city, of which labor is but a part.

I think that some form of voluntary police force might be formed. If everyone is organized to protect his own property, there will still be need for some form of mobile force which can be dispatched from a central or a regional post to cope with any small riots which may break out. The ideal thing would be to reach some sort of working agreement with the Municipal Police and the military garrison. However, the activities of the present armed forces in Shanghai during an interim period are not certain. They may simply melt away when the Nationalist authority evacuates since they may not be any more anxious to meet the Communists than the high-ranking Nationalist officials are. If labor is immobilized within its own working places, there will still be large numbers of refugees and unemployed to be dealt with. The smashing of a store window naturally will appeal to those who in past months have spent their time in lines as yellow ox gang members. These people are the ones to watch. They have little or nothing to lose, so they will be the first to try to take from the other members of society when they feel that there is no law preservation force left in Shanghai. Therefore, it seems to me to be necessary to insure the continued function of the police force or to organize some form of volunteer police for the interim period.

I am not an expert on how to deal with riots, but I certainly can recognize the need for *some plan of action*. It is entirely possible that the need for an interim period organization made up by local elements may not occur. Perhaps the Communists will not come to Shanghai for a long time or maybe not at all. If they do come, maybe there will be some arrangement between them and the National Government forces which will call for the peaceful handing over of the city. However, it seems to me that so long as there is the possibility of an interim period, it is wise to make some plan for living through it peacefully and successfully.

A London Letter

Tony Gibson

London, November 16, 1948.

DURING the last few months there has been an attempt to salvage British prestige following the Test Match with the Australians and the 14th Session of the Olympic Games. In neither case was there anything very cheerful to say about us except that we continue to be fairly good losers.

In the Olympic Games, Britain secured only two firsts, and neither of these was a very important award. All the same, the British hosts and the foreign guests did not seem to feel too embarrassed by the British performance. For one thing, the crowds who packed the great Wembley Stadium, in which most of the events took place, acquitted themselves pretty well in their enormous enthusiasm for every foreign and home team, particularly those that looked the smallest and the least likely to succeed. Another thing, the Games were reasonably well organized and established something near a record for a public undertaking in Britain by actually making a small profit.

We have had quite a lot of good things to show our visitors. The theatre season has been one of the best for a good many years, with British companies covering everything from Mr. John Gielgud's production of the *Medea* of Eurypides, to the richly conservative tradition of British farce, expressed through the antics of Mr. Leslie Henson and Miss Vera Pearce in *Bob's Your Uncle*. And in case our American visitors feel homesick, we continue to nurture many Broadway successes, such as *Oklahoma* and *Annie Get Your Gun*, and, of course, the periodic invasions of Mr. Danny Kaye, who enjoys a vogue among our bread-winners rivaled only by that of Mr. Sinatra among American bobby-soxers.

More Austerity

But now our party dress is being packed away again. The last of the staggered summer holidays at our seaside resorts is over, and the other day the Chancellor of the Exchequer, Sir Stafford Cripps, gave us his winter dose of castor oil in the form of an admonition that we have at least one more tough year of austerity ahead of us.

Sir Stafford, more than any other man, except perhaps Ernest Bevin, represents the popular side of the present Labor Government. "Popular" is perhaps hardly the word—"respected" might be better, for Cripps has earned for himself the kind of respect and half-affectionate regard which one accords to a capable, wise, but strict governess. And so, although we don't like our medicine, we are inclined to think it is for our own good, and with a bit of grumbling from the Right-wing press we swallow it.

We find too, the same sort of steady, grim, undemonstrative response to the incredible things which are happening in Europe. For months everyone has looked at his evening paper with anxiety at the back of his mind: "Is it going to be war?" The Berlin problem, the French crisis, the Greek war, remain open sores which no medicine seems able as yet to cure. All of us had hoped, a little at least, that the Paris Session of UN might succeed in clearing up these festering places. Now we learn that there is no solution here either. Everyone watches the French crisis with more than ordinary concern. No one knows whether civil war may not break out over-night. And yet, our own reaction over here to a potential occupation of the Channel ports by a hostile party, or a hostile power, is the same mixture of patience, puzzlement, and perseverence which has characterized us for the last few years.

Federal Union?

This puzzlement is not only about that burning question: "What does Russia really want?" For we are here up against the problem of what we can do to counter Russian, or for that matter, American interests if we find them running contrary to our own or to the world's. There seem to be three ideas under consideration at this moment. The first is the traditional response to a heightening of European tension—re-armament, recruitment for the Territorial Army, and Joint Staff talks with the French. The second is the plan that originated with the erstwhile "lunatic fringe" of the European and American "progressives,"—Federal Union. This scheme was quietly but emphatically pirated by Mr. Churchill, and emerged in increasing force as the concept of Western Union.

Mr. Churchill has recently brought this issue to the point of an official exchange of letters between himself and the Prime Minister, and he continues to make a great deal of political capital out of the opportunity a Western Union would present to "contain" Russia. Our ace cartoonist, David Low, produced one of his best efforts the other day in a picture of the American Secretary of State, George Marshall, and our Foreign Secretary, Ernie Bevin, looking harassed, determined, and mutually sympathetic, as they sat at their desks trying to put across foreign policy, while in the background Truman, surrounded by telephones, and Churchill, surrounded by microphones, resolutely and indefatigably confused the issues. It looks as though British foreign policy is feeling its way toward some kind of European Union, but aims at the same time to bring in the last trump that Britain holds, our tenuous, indefinable, but practically unbreakable links with the rest of the British Commonwealth. "Commonwealth relationships" are periodically written off as dead, but they are very loath to lie down. The recent Commonwealth Conference was preceded by such rumors as Indian withdrawal, repudiation by the whole Commonwealth, the right of the King to his title, and the severance of relations between Eire and the United Kingdom. These remain possibilities, but somehow their importance seems to have diminished since the end of the Conference.

Small Undimmed Light

Someone has pointed out that this alliance of colored and white races, of East and West, of former subjects and rulers is about the only practical example of a resolution of the world's great problems that recent years have afforded. So we are all rather anxious to make sure that this small but encouraging light remains undimmed. It is evident that by bringing the interests and the influence of the Commonwealth to bear upon European problems, we stand a slender chance of breaking clear of the vicious circle in which Russo-American rivalries have involved their satellites.

We are left with the increasing conviction that the solution of European problems is on a world scale. Among the sages of the Labor and Conservative Parties there is the belief that the only hope left for any of us lies in making a world-wide bargain with the Russians. There are two ways in which that bargain can be made, if it can be made at all, short of war. One is to divide the world into opposing spheres of influence, and that is almost impossible; the other, on which even the Russians have shown some co-operation, is to unite the world under common agreement over the practical issues. This means, for example, the various functional agencies of UN such as the World Health Organization and the Food and Agricultural Organization. Sir John Boyd Orr represents for an increasing number of people the prophet and the practical administrator who has long seen the issue in these terms. His advice may yet be taken.

These are all the uncertain, anxious pre-occupations of those of us who, for the good of our souls, read the leaders and leaderettes of the evening papers. Whether we see things clearly or not, our immediate thoughts concern our anticipation of an increased candy and sugar ration for Christmas, and our perennial search for Virginian as opposed to Turkish cigarettes.

From time to time we hear or read more bad news. But bad news, political or economic, is beginning to become rather like the British weather with us. We are so used to being so used to it that we are almost proud of it.

ECA IN TAIWAN

J. Carlson Lewis

THE ECA Stillman Mission recently announced the allocation of US$1,200,000 from the ECA industrial rehabilitation fund to the Taiwan Sugar Company. This allocation recalls attention to the eternal Taiwanese struggle between sugar and rice as to which is the best crop for the island.

Immediately following the announcement of the allocation there was some comment on the hastiness in arriving at this decision. Under the present setup the General American Transportation Corporation is to receive much of the $1,200,000 in return for supplying the Taiwan Sugar Company with refining equipment.

In connection with the conflict around the desirability of sugar or rice as Taiwan's principal crop, it will be recalled that the same problem arose during the days of Japanese control of the island. Before 1939, sugar was generally favored over rice.

At world market prices the yearly yield of sugar per acre was worth four times that of rice. As Taiwan was the only important sugar producing area within the yen bloc, sugar production was pushed in order that Japan could be self-sufficient. Also Japan needed the alcohol which could be obtained from sugar. After 1941 the emphasis in Taiwan was on rice production because Japan's food supply was extremely short. Japanese sugar experts (considered very competent by other sugar agricultural and refining men) admitted that they never had been able to produce sugar economically to compete on the open world market.

Though admittedly economically unsound, the Taiwan sugar industry had been developed in the program of aiding Japan toward self-sufficiency, and the industry continued to operate on a large scale until 1941 even though it could not compete with the less expensive sugar of Cuba, the Philippines, and especially of Java.

Need For Rice

Now, however, the exponents of an increased Taiwan sugar production program claim that Taiwanese sugar can be exported to gain foreign exchange which China badly needs. However, with conditions as they are today, rice is a more vitally important crop than sugar, both because of its food value and its trade value. Economic observers are quick to point out that in the four years before the Marco Polo Bridge Incident in 1937, China Proper imported an average of nearly 900,000 metric tons of milled rice, the most important imported commodity which naturally caused the largest drain on foreign exchange. Every additional grain of rice which can be grown in Taiwan means just that much more saving of China's precious foreign exchange supply.

It is interesting to note that statistics show that world sugar production is as much as three percent above prewar production, whereas world rice production is about four percent below prewar production, while the quantities available for export are only a fraction of prewar quantities available, particularly from Indo-China, Siam and Burma which were China's principal prewar suppliers of rice. With an increase in the world's population of approximately 20,000,000 annually (mainly in the rice-consuming areas of the world) rice supplies available for import into China are not expected to return to prewar conditions. The rice which will be available will be sold at prices far above those of prewar times.

World Sugar Competition

Can Taiwanese sugar compete economically on world markets? Can the profits from the sale of sugar help to bring in sufficient foreign exchange to buy more rice than could be raised in Taiwan? No figures were ever produced by the Stillman Mission to indicate that these aims could be achieved. In fact there has been no report of any investigation made by the Stillman group as to whether the program proposed is feasible from an agricultural point of view.

Engineers from the General American Transportation Corporation, who were among the group which supplied the data upon which ECA based its decision to rehabilitate the Taiwan sugar industry, reported that an increase in Taiwan sugar production was *technically* (from an engineering standpoint) feasible, but that no information was available to show that this program was economically feasible.

It is relevant here to refer to the Japanese experiment where a well-organized sugar production program was unable to compete with sugar production in Cuba, Java and the Philippines.

Japanese technicians stated that soil and climatic conditions were not comparative to those of the best sugar areas on the globe. Proponents of the Taiwan sugar program claim that improved irrigation, particularly from deep wells, as well as rationing (allowing stalks to grow from the root after the first stalk has been cut instead of planting seeds, which would use up about 20 percent of the crop) would make Taiwan sugar able to compete on world markets. However, these proponents say nothing about previous Japanese experiments along these lines and they do not consider the possibilities of rice yields being improved. After

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all, Japan raised her own rice yield from 50 bushels per acre to 75. The proponents, who know all about engineering and little about growing cane, have not proved that Taiwan sugar can compete on world markets.

Rice Versus Sugar

Looking at Taiwan's sugar and rice production from an objective viewpoint, one sees that sugar yields per 18 month crop averaged almost 7000 lbs. of raw granulated sugar per acre or about 4700 lbs. for 12 months. Rice on the island, on the other hand yields about 2400 lbs. of paddy plus a winter crop per acre every 12 months. Raw granulated sugar imported into China in 1937 cost about US$.05 per lb.

The present bulk price of Taiwan sugar to SCAP in Japan in 1948 is also about US$.05 per lb. In 1937, Southeast Asia rice, in terms of paddy (inferior to Taiwan rice) imported into China was at a rate of about US$.017 and in 1948, about US$.055. Southeast Asia rice is the cheapest available on the world market, but its supply is rationed through the International Emergency Food Council of FAO. With Java, the cheapest sugar producer in the world, still supplying comparatively little because of political upheavals there, sugar prices in the future are expected to fall as conditions stabilize and more supplies became available. Rice, still on short supply, on the other hand is expected to become more expensive.

Thus, at present—considering the world market prices about equal and with sugar yielding nearly twice as much per acre—sugar will be worth twice as much per acre in terms of foreign exchange if all the sugar raised can be sold on foreign markets. This is precisely the point and many students of the problem think that this cannot be done.

Therefore, it is doubted that Taiwan sugar can compete successfully on the open world market. It should be noted that the Japanese used about 1,000,000 metric tons of Taiwan raw sugar per year. Now, Taiwan Sugar Company personnel are talking in terms of producing 2,000,000 tons a year with no prospective customer except Japan in sight. And many persons fear that Japan would be very happy to have Taiwan put a large investment into sugar only to find later on that Taiwan would have to sell on Japanese dictated terms since there would be no one else to sell to.

Proponents of expansion in sugar acreage charge that it would be a crime to allow refinery equipment to be wasted. But critics maintain that (1) most of the refining equipment in Taiwan at the end of the war needed rehabilitation on a scale that would mean completely rebuilding the refineries; (2) production of as much as 2,000,000 tons annually would mean expansion, not just effective use of what is on hand; and (3) if the refinery equipment is now in poor shape, now is the time to decide whether the whole sugar program is economically sound for Taiwan before it is built up and the investments made.

While members of the GATC advisory group reveal that their only function is to do a specific engineering job for which they are qualified, some of them privately feel that if the Taiwan Sugar Company continues to function as it has in the past its program may very well not be successful. It has also been mentioned by qualified experts that both China and Taiwan may suffer economically as a result of emphasizing sugar rather than rice as the island's principal crop.

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CHINA'S TEACHERS

Weyman Ling

RECENTLY, two tragedies were reported concerning university teachers in this country. Two lecturers, one at National Central University in Nanking and the other at National Tsing Hwa University in Peiping committed suicide within a week of each other all because of the relentless pressure of poverty. One teacher was said to have drowned himself in a creek; the other killed himself by taking poison. One left a wife and several sons who have no relatives to look after them. The colleagues of these two men were shocked by the news of their death but could only shed tears of sympathy.

Plight Reviewed

These two cases make it necessary to review the plight of China's teachers who are all in want of food, clothes and decent roofs over their heads. The belief that teachers and professors are merely an educated mendicancy squad is widespread especially among some business groups. As a matter of fact China's teachers and professors earn a monthly salary that at most can cover only half of their living expenses and usually only one-third. The result has been that they have had to resort to pawning clothes or running into debt. Month after month and year after year this group is bogged down in the mire of loans and lacks the ability or power under present conditions to extricate itself from the continuous debts which have been incurred. One day these teachers and professors wake up and realize that they are in a hopeless whirlpool of debt. And even if they do not resort to suicide, the strain, desperation and anguish caused by these conditions invariably causes their health to break down.

For a few years before the Sino-Japanese war, teachers received enough salary to be looked upon as an enviable class. They earned enough to save a little and to buy a few books. But when the war came, those who had some savings in the banks through a number of years' painstaking work lost almost every cent because of the inflation and the various changes in legal tender.

During the puppet government regime they were faced with a situation whereby two CNC dollars were worth only one CRB dollar; then the restoration of the fapi from puppet money in the ratio of CRB $200 to CNC $1, and then the recent currency conversion of three million CNC dollars to one Gold Yuan. Those few people who possibly had some savings find that they are worthless today. One thousand CNC dollars is worth a few cents GY. On the other hand, the members of society who speculated with their money have made fortunes by taking advantage of every social, economic or political upheaval A short time ago it was reported in Nanking that a man went mad when he learned from his bank that his savings of 1,000 dollars before 1937 had been converted into about 30 cents GY. Many teachers have had similar heart-breaking experiences.

In the course of the eight years' war of resistance, whether in Free

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China, or in the occupied areas, the teacher group was greatly neglected. In Free China, the Government was so concerned with military affairs that education received very little attention. In Occupied China, the enemy assumed the arrogance of conquerors and maltreated or imprisoned many teachers on groundless and false accusations of involvement in political intrigues.

Fortunately, the long awaited victory finally came after eight years. People dreamed that life would now return to prewar scales of living or even better. Being more sensitive than most groups, the teachers became very excited about the happy prospects ahead. They hoped that skyrocketing prices would drop and that once again they would be able to maintain their families at least at an adequate standard of living. However, all these hopes were crushed when the Civil War broke out. Instead of a bright future, only a gloomy one appeared. The country is today being scourged by the detested war. As a result of the devastation, communications have been paralyzed; thousands of farmers have become refugees and a vast number of mow of cultivated land lie untouched. Flourishing cities have been razed to the ground. The country is in a worse predicament than during the war of resistance.

Conditions Worse Than Ever

Even in the last few months, there has been a greater deterioration than ever in the plight of teachers. The currency conversion brought disaster instead of blessing to the teachers. The Government has repeatedly described the purpose of the currency reform as curtailment of inflation and at the same time promised improved conditions for both civil servants and cultural workers. But the fact is the top salary of a university professor in October 1948 was only GY 120 a month, which at best is less than a third of his prewar salary in terms of money and considerably less than that in terms of purchasing power. In October 1948 it is estimated that a family of five need 200 or more Gold Yuan merely for food. Thus, it is inevitable that a university professor must resort to loans or teach in many schools at the same time in order to cover his minimum expenses.

Some time ago, some intelligent legislators who sympathized with the condition of poverty-stricken school teachers, did raise the question of improving the salaries of teachers. Wild cheers interrupted the hot debate on this important problem. However, a few days later, it was revealed that although the authorities are sympathetic to the petitions of various groups of university professors requesting adjustment in pay, the Government in view of the necessity for making expenses and revenues balance, is not in the position to accept the demands of the professors. The news was added that the realization of any adjustment would have to wait, most probably for a considerable period. Does the Government ever take the hard life of the teachers into actual consideration?

The Week's Business

DURING the week ending December 8, business in Shanghai was extremely quiet with the exception of one line, namely, exports. When, during the past week, the Certificate rate continued to advance and was nearing GY45 for one US dollar, exports again were possible in many fields. This was so especially because of further price declines (in terms of US currency) which in turn were caused by the shortage of and the demand for cash.

In fact, many textile products were cheaper last week than they used to be during the "frozen price period" in September, and in a few fields, prices even came down to the July level.

The demand for Certificates as expressed in the rate increase, of course, indicates that there was a certain demand by importers. It seems that quite a few importers and their clients decided to order new cargo abroad despite the present situation. It was said, however, that comparatively few orders were sent to Hongkong, from where cargoes might arrive within a week. The bulk of orders placed abroad was said to have been mailed to the United States and Europe from where cargo may hardly arrive in East Asia before the beginning of February. Apparently, local buyers presume that if in the meantime the situation should get worse, swimming cargoes could always be ordered to Hongkong.

Wide Price Range

Price developments during the week under review diverged widely. While rice and some other foodstuffs realized price advances, local retailers in textiles and cloth were eager to sell and in many cases were in need of cash. Some shops reduced prices by 10 to 20 percent compared with the end of November.

In spite of such price reductions, business on the retail market remained slow throughout the week under review and department stores were reported to have seen comparatively few buyers.

Several mill owners were said last week to be dismantling their plants with a view to shifting them to either Canton or Taiwan. Such plans apparently prompted several of them to offer stocks of raw materials at amazingly cheap prices; dyes, industrial chemicals and even machine parts were among the goods offered.

On the real estate market, prices lost further at the beginning of the week under review, recovered toward the middle of the week and came down again on December 6, when it became known that British subjects, too, had received instructions to leave in case of high emergency. The fact was that news from the United States concerning the protection of foreign property in Shanghai was somewhat contradictory and irritating, at the same time resulting in a new wave of speculation on the "second hand market" with prices of motor cars and technical installations changing almost every day.

Chinese businessmen, too, were eager to learn about the plans of foreign powers concerning protection of their property in case of emergencies. They were impressed by statements to the effect that everything would be done to protect the lives of the respective nationals, but they could learn next to nothing with regard to the protection of mills, power plants, warehouse and other property. On the other hand, the same quarters found out that many among the foreign firms are not even trying to sell or camouflage their enterprises and that among those who intend to leave in the near future were many who had merely appointed someone to look after their interests.

Firms Shift South

Simultaneously, firms owned by people who for certain reasons felt endangered in the case of a Communist take-over or even in case the much heralded coalition government would be established, continued to shift their interests to the south. Prices reports from Canton, Hongkong and Taiwan received last week indicated that due to the arrival of an ever increasing number of such wealthy refugees, commodity prices as well as real estate rates have realized tremendous increases with Hongkong now being considered the most expensive town on the China coast. Such statements, however, made it clear that wholesale prices of imported goods, particularly technical and chemical ones, have failed to show any considerable advances.

Black market share quotations were reported to have dropped further during the week under review. Speculators were interested, in buying, though their offers, of course, were extremely cautious.

During the week ending December 4, the general commodity price index showed a decline by 1.62 percent, with food prices dropping 9.52 percent and clothing prices 4.45 percent.

It may be mentioned by the way that some banks last week informed their clients that deposits must not decline below GY200 and that GY5 will be charged in case the amount falls below GY200.

NEWS OF THE WEEK

More Red Action In North Kiangsu; Cool US Greeting For Mme. Chiang

THE fighting on the Nanking-Hsuchow section of the Tientsin-Pukow Railway seems to have bogged down for the time being. The Nationalists evacuated Hsuchow "on their own initiative." The reason for this evacuation, according to the Government's military spokesman, was that "with the completion of the battle of Hsuchow that city has lost its strategic importance, especially when all Government units in that area are being concentrated for a southward advance."

It was reported that three army groups under the command of General Tu Yueh-ming were striking southward from Hsuchow toward Suhsien while several army groups were marching northward. The Nationalists claimed to have recaptured Kuchen and the Reds were said to be retreating northward. The Ministry of National Defense announced on December 5, that Communist troops in the Huai River region, under pressure by Government armies from the north and south, were now falling back toward the old Yellow River flooded flatlands in eastern Honan Province. It was further alleged that the Communist columns commanded by Chen Yi and Liu Po-chen were moving toward Linhuanchi, Yungcheng and Hsiaohsien, 30, 45 and 55 miles respectively from Suhsien.

More and more reinforcements have been rushed to the Pengpu front. It is understood that the 14th Army Group, about 60,000 men, under the command of General Sung Hsi-lien has been shifted from Central China to the southern section of the Tientsin-Pukow railway for the defence of Nanking. It was even rumored that Nationalist troops in the northwest have been airlifted to Nanking.

A significant development in the fighting is the increased Communist activities in north Kiangsu. According to Reuter, the main elements of Communist forces under Chen Yi were moving east from the Pengpu area into north Kiangsu. This movement suggests the beginning of a new threat to the Nanking-Shanghai region, with the Communist approach to the Yangtze somewhere between the two cities. Already, Government forces have evacuated the city of Hweiying, east of Lake Hungtze, and are concentrated along the north bank of the Yangtze. Observers believe that this withdrawal was wise as the Communists are entering familiar ground in the Hweiying area whose swampy terrain would give them a definite operational advantage. It was in this region that the Communist New Fourth Army was based during the Sino-Japanese War.

The slowing down of the Communist offensive on the Hsuchow-Nanking front has given the Nationalists a much-needed breathing spell. AP reported on December 6 from Nanking:

"Foreign observers who expected to see China's capital in Communist hands by mid-December now talk of the possibility that Generalissimo Chiang Kai-shek may be able to hang on for three months or longer. This reassessment of the situation is largely the result of Nationalist armies' willingness to fight — an element which was sharply lacking from previous campaigns in China's civil war. Few observers here, including even top Nationalist officials, profess the hope that Chiang will win the final battle against the combined forces of Red leaders Chen Yi and Liu Po-cheng. They do, however, claim that the revival of morale among Government soldiers has won for the president vital time in which to stabilize his position along the north bank of the Yangtze."

* * *

US Supplies

IN North China, the Communists are still busy massing troops for a showdown battle while General Fu Tso-yi has abandoned one place after another to shorten his line of defence. Meanwhile American supplies are reported to have been rushed to North China to bolster Fu's position. Mr. Roger Lapham, chief of the ECA China Mission, conferred with General Fu Tso-yi on the shipment of American supplies. Considerable interest is attached to Lapham's meeting with General Fu, who has spoken optimistically about forthcoming American aid, which is expected through a diversion of the US$125,000,000 ECA appropriations for military needs presumably direct to North China.

Mayor Tu Chien-shih of Tientsin disclosed that with the expected American aid shipments to North China, General Fu Tso-yi's forces would receive new equipment within three months and a large air force would be concentrated in the Tientsin-Peiping area, including possibly friendly foreign volunteers. Commenting on the mayor's statement, *Reuter* said: "The Mayor's reference to friendly foreign volunteers was taken to indicate official hope that General Chennault's famed Flying Tigers may still be revived, to turn the tide of war in favor of the Nationalists."

3-Year Program

MADAME Chiang Kai-shek is busy in Washington seeking American aid. Press reports indicated that she is requesting the United States to rescue China from Communism with a program which cost an estimated US$3,000,000,000 over a period of three years. This has been presented by Chinese Ambassador V. K. Wellington Koo to President Truman as well as by Madame Chiang. The program, it is understood, contains the following points:

1. Immediate declaration of American support for Chiang's anti-Red war. It is contended that this would re-inspire the Nationalists by providing assurance of American backing with implicit promise of greater American aid.

2. Tremendous speed-up in delivery of military supplies before action by the United States Congress on any new program. State Department reports are that all but about US$10,000,000 of the US$125,000,000 present military aid program has been used up. Top Chinese officials in Washington say that while it is true this money has been committed for buying supplies it is also true that only about US$25,000,000 of supplies actually have been delivered to China under the program.

3. Sending to China a military leader of great prominence to run supply services for Nationalist armies, extend and operate military training and assume direction of strategic planning.

4. Laying down a military and economic aid program for a period of three years at a billion dollars a year, including expenses of the military mission.

Ambassador Koo has estimated that the first year's US$1,000,000,000 could be divided 60 percent for military and 40 percent for economic aid. In subsequent years, assuming the military situation improved, the majority would go for economic purposes.

The American authorities appeared cool to this program. *AP* reported on December 4 from Washington: "Truman, Marshall and their advisers also have decided tentatively at least that any program to be guaranteed effective in the present Chinese situation would mean that the Americans would virtually have to take over. This, Truman and Marshall have not been willing to do. One question deeply concerning them is the possibility of American involvement in a situation which could go on almost endlessly draining away American funds because of chaos and disorganization in China and what is considered here the rapid decline of Chiang's leadership."

Chinese Magazine Roundup

Observer

TUNG Shih-ching raises objections in the *Observer* of December 1, to Dr. Hu Shih's statement that "peace is much more difficult than war and that it is wishful thinking to talk peace with the Chinese Communists."

"Dr. Hu's statement is rather disappointing to peace-loving people. To wage war it is necessary to mobilize a huge amount of resources and manpower. In addition, it involves tremendous sacrifices of lives and property. Therefore, to prosecute war is a most difficult and complicated task. This is the reason why most countries regard waging war as their last resort. Peace means the reverse of war. The moment fighting stops, there will be peace. To refrain from fighting must be the easiest of all things in the world. I simply cannot understand why peace should be much more difficult than war. If there is any difficulty in achieving peace, the difficulty must lie in the refusal on the part of the leaders of the warring factions to make concessions. If one side can make substantial concessions, there is no reason why peace cannot be established.

"Dr. Hu rejected as wishful thinking any attempt to talk peace with the Chinese Communists. This is tantamount to shutting the door to peace negotiations. Such an idea is contrary to the prevailing popular conception that peace in this country must come in the long run because neither the Kuomintang nor the Chinese Communist Party is in a position to wipe out its adversary. Maybe Dr. Hu believes that the Government will bring the Chinese Communists to their knees sooner or later. But when will this be possible? Or will be it possible at all? On this point very few people share Dr. Hu's belief. In the light of past facts the consensus is that the breakdown of peace negotiations in the past cannot be blamed on the Chinese Communists. Therefore, it is inadvisable to dismiss peace as utterly impossible from the very beginning.

"While Dr. Hu considered peace as impossible, he seemed to recognize on the other hand that war cannot solve the present difficulties facing this country. So he advised us to hold on, pending future changes . . . If the anticipated change fails to come about in six months or a year or if the change is for the worse, what does Dr. Hu propose to do? What assurances can Dr. Hu give us that the change he is waiting for will be favorable to us?"

Tung reminds his readers that Dr. Hu was bitterly opposed to armed resistance to Japanese aggression before the outbreak of the Sino-Japanese War, and advised the Chinese Government and people to wait for 50 years. But in spite of Hu's warning, the war of resistance was started by the Chinese people and the Japanese were defeated. Tung said if Hu was against the Sino-Japanese war because he did not want to see hundreds of thousands of Chinese people lose their lives or property or both in the course of the fighting, then he would favor cessation of the present hostilities for the same reason.

"The majority of the Chinese people," Tung concludes, "do not want war. I am afraid very few army officers want to fight. This is the reason why it has been very difficult to whip up war enthusiasm among the people and the soldiers. But I can venture the opinion that the moment peace is proclaimed there will be nation-wide rejoicing even without Government orders. War is difficult. To continue fighting will be more difficult. Peace is easy, much easier than war. Once peace is restored, all questions will be straightened out by peaceful means . . ."

* * *

New World

THE *New World* of December 1, makes a comprehensive study of United States policy in China and comes to the conclusion that in spite of the recent violent changes in the China situation and in spite of the urgent call for help issued by the Chinese Government, Washington, it seems, has not yet made up its mind on what to do.

According to the paper's story, General David Barr's pessimistic report to the United States Government on the war situation in China was largely responsible for the decision to order the evacuation of Americans from China. In the opinion of the American authcrities, evacuation of American nationals would have the following advantages:

1. It would no longer be necessary for the United States Government to embark on any dangerous adventure in China in order to protect American lives and property.

2. In the event of a sudden political change in China, the United States would be able to watch disinterestedly and wait for a radical change in the general situation.

3. If need be, the United States, without having to bother about protecting American lives and property in China, will be in a better position to embark on any adventure of a "speculative" nature.

In analyzing future United States policy toward China, the magazine sees the following four courses: (1) Continued or increased aid to China. (2) Compromise with the Chinese Communists. (3) Support with Communist participation. (4) Complete withdrawal from China.

"After a careful study of the situation, it seems that Washington lacks the courage to pursue with determination any one of the four courses mentioned abcve. The United States Government is still treading the old path mapped out by General George Marshall—a dilly-dallying policy. . .

"Opinion in the United States on the Chinese Communists is divided. Even today there are some Americans who think that the Chinese Communists have been adopting a course of action different from that of world Communism. They regard the Chinese Communist Party as a party standing for agrarian reform and many Americans still think that at an appropriate time the United States may establish relations with the Chinese Communists through the channels of trade, investment and other economic aid. After the fall of Mukden, the staff of the American Consulate General there continued to carry on its work. It need hardly be said that this move is more or less a kind of feeler. The original plan of the United States Government was to let the Consulate General and the United States Information Servatice there continue the operation of a radio station in order to send propaganda material to the Communists and report back the views of the Communists to Washington. At one time authorities in Washington entertained high hopes of utilizing their consular mission in Mukden to maintain liaison with the Communists. This step was regarded by some as the first step toward the establishment of relations between the United States and the Chinese Communists.

"But this sweet dream was shortlived. The Communists, immediately after their entry into the city of Mukden, ordered the American Consulate General to close down its radio station. Though the personnel of the consulate are not molested, they know perfectly well that they are being carefully watched and they really have no freedom of movement. The initial policy of magnanimity in Tsinan did please American missionaries and other foreigners who had not evacuated from the city, but with the arrival of Communist political workers, all foreigners have to wear badges and their movements are under surveillance. The actual experiences gained in Mukden and Tsinan have shattered the dream of the American authorities to cultivate friendly relations with the Chinese Communists."

However, the magazine points out that neither President Truman nor Secretary of State Marshall is likely to make any definite decision on the China problem. "In the eyes of Washington, the China, problem is a subject which gives rise to anxiety, fear and vexation. President Truman is following the lead of Secretary of State Marshall, but Marshall has not yet made up his mind. Under present circumstances, they are simply dilly-dallying in hopes of a 'miracle'."

US Magazine Roundup

New Republic

IN the September 20 issue of the *New Republic*, Walter L. Briggs, writing from Peiping in an article called, "China's Season of Sorrow" says: "In the big coastal cities the complacent Westerners and the Chinese bankers in neatly pressed suits rarely stop to watch the soldiers. In fading khaki, a white star pinned to caps cocked on shaven heads, China's soldiers, shuffling on straw sandals, move by platoons and divisions along the streets. Roped to other recruits perhaps only a month ago, they have been yanked from their villages, from life in another world." . . . .

"The refugees look longest at the soldiers. Gaunt and tattered, these refugees are pouring into Shanghai, Nanking and the other big cities The refugees watch the soldiers because their own sons were led off like this, and because they have been beaten and raped, and their huts have been looted and burned, and they know what this war is." . . . .

"Generalissimo Chiang Kai-shek, the Nationalist president, and Mao Tse-tung, the supreme Communist, both proclaim that they are fighting the good fight. Each says that he will win." . . . .

"It seems increasingly clear that Nanking's leaders are pressing the war because it is worth while mainly to themselves. To the people, however, the Nanking government is 'inefficient' and 'corrupt' as even General Albert C. Wedemeyer admitted—but worse, it is oppressive. The personal motive doubtless also affects the Red leaders, but they seem to be giving the people a little in return. The Communists are winning the Civil War. They also seem to be winning because more Chinese support them more adequately than support the Nationalists.

"The two governments recently propagated their respective faiths in communiques summarizing long months of the war.

"'. . . The Government has decided to wage a long war,' said the Ministry of National Defense. Various Communist plans have been 'frustrated.' The Ministry talked of strategy to 'preserve Manchuria,' to 'fortify,' 'defend,' 'prevent.' Nationalist troops are doing wonderfully, the Ministry declared, but the summary seemed to say that their progress was negative.

"The Red report, grandiloquently repeated three successive days by the North Shensi Radio, was just as boastful, but with more reason. The names of Kaifeng, Shihchiachuang, Szepingkai and other 'liberated' cities rolled off impressively. Thirty-seven percent of China's population has been 'liberated,' the radio exulted, on 24.5 percent of the land. The Red armies were advancing 'like the autumn wind sweeping away fallen leaves.'" . . .

"It is readily apparent that the Communists have concentrated on provincial capitals and railroads. They have become strong enough to depart from their proved guerrilla tactics. Seizure of railroads disrupts Government communications, accentuating economic difficulties. Seizure or blockade of capitals hamstrings Nationalist army headquarters and strikes at Nationalist prestige. However, the Reds have not yet assaulted such major cities as Shanghai and Peiping, presumably because they are not ready to commit the necessary troops and have not trained sufficient municipal technicians.

"The Government's military disasters contribute immeasurably to Nationalist China's disintegration. Each day brings new evidence of impending collapse. For instance, the Government monopoly for tung oil, at present China's leading export, recently ordered all stocks brought downriver from such ports as Chungking and Ichang because the Yangtze's tenability seemed dubious.

"Meanwhile, the Government is plagued by sabotage, espionage, fifth-column agitation and student uprisings.

"Defense Minister Ho Ying-chin's promise at the advent of 'constitutionalism' last May of better treatment for soldiers and elimination of 'squeezing' officers has brought no change. Nor have American advisers noticeably increased the Government's military potency.

"It is too early to judge the results of America's recent dole of $125 million in military supplies, but every military observer whom this reporter has met believes that it will follow previous millions down the drain—or into Communist hands. While there is no proof for Nationalist assertions of 'repeated instances' of Russian aid to the Chinese Communists, the United States is uncontestably supplying Mao's army indirectly, through Red capture of arms." . . .

"As during the Japanese war, Nationalist merchants maintain a thriving trade with the enemy. They have reported sending radio parts, for example, into the forbidden territory in return for wool. The government frowns on this lack of patriotism, but Hopei's governor has advocated an open-air fair for barter between the two areas to replace illicit commerce.

"North China, meanwhile, is deluged with one batch of rumors that a high Nationalist official recently met a high Communist to discuss peace, and another that peripheral warlords plan to break with Nanking. These became so persistent that Government brass, including Vice-President Li Tsung-jen, felt called upon to deny them. Li advised Peiping reporters to write instead about the city's 'ancient history and scenery.'

"Caught between the high-powered brainwork and high-level machinations of the Chiangs and the Mao are the people. For them there is only suffering. And as the winds of autumn bring the sifting snow, autumn will truly become China's sorrow."

* * *

Readers Digest

IN the October, 1948 issue of the *Reader's Digest* in an article called, "Let's Get out of Japan" condensed from an article appearing in the September 1948 issue of *Forum*, Dennis McEvoy urges Americans to consider removing all traces of the occupation and to allow the Japanese to work out their own destiny. "In Japan, at least, we can repel the forces of Communism by taking one bold step that is long overdue." . . .

"A stable and prosperous Japan would be the best guarantee against Communism that we could devise. It is the almost unanimous opinion of American businessmen that Japan, if left to her own devices, could return to self-sufficiency far sooner than under occupation. US Government credits for food imports would be necessary for a few years, but Japan could repay these sums from proceeds of a foreign trade that would expand enormously.

"To those who fear that a stable Japan would constitute a threat to our own security, the answer is simple. No nation can make war without oil or iron. Japan has neither, and she has been denied even civil aviation. A handful of coastal guard vessels and a few port inspectors are all that is necessary to see that Japan keeps the peace.

"Many Americans in Tokyo are unaware of the deep resentment which the Japanese people are beginning to feel toward us, or how the Communists are capitalizing on this hostility. After an American breakfast, they drive in American cars to American offices where they work with other Americans. They return to their American billets to drink American whisky with American friends or go to see an American movie in one of the 'stateside' theaters. After several years of this, they return home and tell how Japan is being converted to democracy.

"We cannot push democracy down another nation's throat, especially in a nation such as Japan where the roots of feudalism are deep. The Japanese have lacked the historical experience of liberty and the personal experience of individualism—both indispensable wellsprings of a truly democratic society." . . .

"Having given Japan a democratic constitution and the means to go ahead on her own, we should stop playing God to the Japanese people and let them work out their own destiny within that established framework. Whatever will emerge will be of their own making—and it will last."

What US Papers Say

MADAME Chiang's visit to the United States drew considerable attention on the part of the American press. Most observers doubted that her mission would be successful with some contending that America was not going to grant all-out aid under present circumstances, and others feeling that large-scale aid would be wasted. Communism in Indonesia also was an editorial subject.

* * *

US Help

THE *Philadelphia Inquirer*, in an editorial titled "Madame Chiang May Find US Less Responsive Now," declared:

"From the moment of her arrival at the National Airport, Washington, Madame Chiang Kai-shek must have been aware that her reception lacked some of the warmth which characterized the greeting she received on previous missions in quest of greater aid to China. The changed attitude is no reflection on China's gracious first lady. It indicates rising disappointment on the part of Americans in and out of the Government at the continued failure of the Chinese Nationalist Government to weld the democratic elements of the country into an efficient liberal regime which could command the loyalty of the masses in the struggle to turn back the conquering Communist armies.

"The atmosphere, she will discover, has changed significantly since her visit during the war years of 1942 and 1943 when the appeal she made magnificently was largely on the emotional level. The plea which she is about to make will have to be hard-headed and factual.

"Madame Chiang will have no difficulty in convincing America of the seriousness of the threat to the cause of democracy everywhere by the emergence of a Communist China. The grave perils of that eventuality cannot be exaggerated. But she will have to demonstrate that the Government headed by Generalissimo Chiang Kai-shek is capable even with increased American aid of averting the threat of Red domination and of giving China an administration free of the corruption and reaction which have fostered Communism.

"The United States is committed, under the Marshall Plan and other agreements, to the expenditure of huge sums to put Western Europe on its feet economically and halt the march of Communism in that direction. There is heartening evidence that these measures are making headway.

"It may well be that in the interest of world freedom the United States should comply with Madame Chiang's request for more material aid to China. But we should make no such agreement without receiving absolute assurance beyond that given by Ambassador Wellington Koo that the Nationalist Government will institute basic reforms which will make it truly democratic and truly popular."

In a cool reception to reports of Madame Chiang's visit, the *Louisville Courier-Journal* declared: "Charming Mme. Chiang is always welcome to these shores in her own right. But we need not count on her visit for any practical contribution to our fateful decision on what we should do and what we can do about the great crisis in the East."

Similarly, the *Washington Post* said: "American policy-makers will be under siege at the hands of one of the most captivating women in the world of affairs. . . . However, the facts are against our distinguished visitor. The lesson of the fighting in China is that the arms to Chiang's Administration merely find their way to the Communist armies."

The *Washington Star* argued that "unless some means can be found to insure it will not be futile, our help to China must remain small compared to what we are offering Europe. That is one of the hard realities Mme. Chiang will have to face during her visit here."

The *Detroit Free Press*, although contending that it "did not know what to do" in China, asserted: "American aid has been poured into China and it has gone down the rathole of official corruption. Already committed to the expenditure of billions in Europe in a problematical effort to contain Communism there, we cannot bail China out even by going broke ourselves."

The *Denver Post* noted a statement by General Fu Tso-yi who said that Nationalist corruption was a basic cause of the failure of Chiang's Government to fight off the Communists. "Here is an adequate reply to Americans who have cried for 'all-out aid' to Chiang," the *Post* declared, observing: "To Americans, General Fu has admitted that no amount of US aid alone would change the situation. Perhaps unwittingly, he has put it up to Chiang himself. He has admitted that if the Nationalists do not have a thorough house-cleaning, there is no hope."

"In all this discussion, there is a tendency to lose sight of the point that whatever Americans do in China is less important than what the Chinese do," the *New York Herald Tribune* maintained. "The need in China is for opposition to Communism that offers something more attractive than high taxes, inflation and corrupt and inefficient provincial and country officials."

The *New York Post*, rejecting both all-out aid to Nanking and complete withdrawal from China, asserted: "Happily, there is a third course which we can pursue in China, if we will. We can even at this late date exert influence toward democratic self-government in China." According to the *Post*: "Mme. Sun is the spirit of the Chinese revolution—and a potent force around whom a coalition of democrats and Communists could be formed in a people's government, deserving of our support."

The Hearst press (*Baltimore News-Post*), also emphasized the dangers of a Communist-dominated China to US safety. "The first task is to prevent Russia from conquering China through the Chinese Communists," the *News-Post* declared, concluding: "We defend ourselves in China or we defend ourselves on our own soil."

* * *

Java Revolt

THE *Christian Science Monitor* referred to the Communist revolt in Java and pointed to the lesson to be derived from it.

"The Communist revolt in Java is an object lessen that can—and probably should—be read in two ways.

"To the Dutch it appears as a justification of their reluctance to transfer power to the Indonesian Republic. The revolt, they claim, shows the instability of the Republican Government and its ripeness for communist destruction if left to its own devices.

"To the Indonesian Republicans it appears as the result of Dutch political tactics, 'police action' economic blockade, etc. Communism, they claim, has been able to exploit the human misery and baffled nationalism which have resulted within the Republic from these Dutch policies.

"There can be no question that the Dutch in the past have erred grievously in underestimating the strength and legitimacy of Indonesian nationalism—blaming it first on Japanese, then on Russian, agitation. By insisting on the 'irresponsibility' of nationalist leaders, they have made more difficult a co-operation which could have strengthened the hands of those leaders against communism.

"There can equally well be no doubt that Indonesian Republican leadership in the past has been grievously asleep on the nature and threat of communism—as now coming to lurid light throughout southeast Asia. By concentrating their propaganda against Dutch imperialism, they have unwittingly aided the propaganda of that familiar type of Soviet imperialism which now threatens them.

"Though the threat has moved into a dangerous military phase, military co-operation between the Dutch and Republican governments seems impossible because of their deep-seated mutual distrust. Yet if the object lesson is read both ways—by both sides—some form of practical co-operation against a common enemy will be seen as imperative."

What Chinese Papers Say

THE principal topic of editorial comment in the Chinese press was the exodus of people from the leading cities in face of the rapid deterioration in the war situation. Most papers stressed that in spite of the critical situation there is no need for alarm and pessimism.

* * *

Refugee Problem

THE *Shun Pao* branded as dregs of society those people who have fled from Nanking and Shanghai to places of safety and suggested that they be purged.

"The men at the front are putting up a stiff fight, but the people in the rear are fleeing for shelter. What a sharp contrast! What a disturbing situation! Frankly speaking, the so-called high-class Chinese have lived a life of ease and comfort. As soon as the nation is confronted with a crisis, they are the first to take to their heels. They have contributed neither labor nor money and they simply expected others to protect their surplus property. Some have gone so far as to think of contacting the Communists to ask for protection in advance. What a ridiculous state of affairs."

The *Ta Kung Pao* deplored the plight of the refugees but advised the general public to stick to their posts as long as possible.

"The stream of refugees has flowed from North China to Central China, and thence to South China. Some people even have left for foreign lands. Actually, they are most of them upper class people, who have means and resources. They may be called evacuees for political or business reasons.

"There is, however, another group of refugees, numerically larger, with more simple thoughts in their minds. They are fleeing to places of safety for a temporary stay without planning to settle down permanently. They are the people who live in the war zones or areas near the fighting.

"There is of course another group of people who, alarmed by rumors, simply flee on the spur of the moment without any pre-arranged plans at all.

"It is necessary to draw a distinction between the different groups of refugees . . . Most refugees are worthy of sympathy. During the war of resistance, the people ran from one place to another for safety and they had many hard times. Now the same thing happens again. We wish to inform our readers, however, that latest reports from North China indicate that conditions in Peiping and Tientsin are rather stable and few people are prepared to flee, come what may. It is not because they don't want to get away, but because they cannot afford the expense. Though the conditions in Nanking and Shanghai may be different, yet the people who have the means to flee are still in the minority. The majority of the people are not moving, simply because they are unable to do so. . .

"The situation is undergoing a violent change. It is hoped that our people will keep cool heads and stick to their posts in the present crisis."

The *Sin Wan Pao* blamed much of the prevailing confusion and popular nervousness on the circulation of disturbing rumors, some of which were "fantastic."

"In view of the rampancy of wild rumors in Shanghai," the paper wrote, "we cannot help suspecting that some rumor-mongers have been spreading rumors for ulterior purposes. A case in point is a river boat being fired on by the Communists along the Yangtze. This kind of incident has happened before and nobody thought much of it in the past. But this time, the same thing gave rise to the rumor that an important port west of Nanking has been captured by the Communists. Another example is the sudden discontinuance of flights of commercial planes to Hsuchow for certain reasons. However, rumors were instantly circulated that the city of Hsuchow was lost to the Reds.

"Let us trace the sources of such rumors. It is true that many of them have been circulated by the Communists. Lack of sound judgment on the part of our foreign contemporaries in handling news stories also has added to the present confusion.

"In addition, the mental weakness of the people makes the general public fall easy prey to the circulation of rumors.

"After checking the current rumors carefully, we are inclined to believe that we are playing into the Communist hands in giving credence to such rumors. The circulation of rumors these days must be regarded as part of the psychological warfare of the Chinese Communists."

* * *

US Obligation

THE *Shang Pao* took the occasion of Madame Chiang Kai-shek's visit to Washington to remind the United States that it must assume certain responsibility for things in this country.

"In the first place, the United States must understand clearly that the present fighting in China is a war between democracy and communism. The Chinese armies and people under the leadership of the National Government have not spared any sacrifice in putting up an all-out resistance to communism for the simple reason that any success in China would result in the Bolshevization of the whole of East Asia. They are fighting the same war in which the United States has been engaged. Therefore, they are fighting for the United States and for the whole world. The bandit-suppression campaign in China is the vanguard action in the world-wide struggle against communism. It cannot be regarded as simply a Civil War.

"In the second place, the United States must realize that the critical situation in China today has been the result of the late President Franklin D. Roosevelt's Yalta policy and that China has been brought to her present precarious position because of her respect for the wishes of the United States. For this reason, the American people have on their shoulders the responsibility of giving positive aid to China and must not simply look on with indifference.

"In the third place, the Americans must be reminded of the adage that when the lips are gone, the teeth will feel cold. If China is occupied by the Communists, the whole of East Asia would be placed under the control of Soviet Russia. If the United States wants to salvage the situation then, the efforts required would be tremendous and the job would be more difficult than it is now.

"In the fourth place, after eight years of war with the Japanese and four years of instability, it is only to be expected that there should have been many unsatisfactory matters in connection with China's internal affairs. It may be true that the Kuomintang leadership is uninspiring as the Americans have charged. However, President Chiang is now determined to overhaul the political machinery and carry out drastic reforms. Well-meaning criticism from our friends will undoubtedly be appreciated. But it must be pointed out that the traditional friendship between the United States and China would be impaired if the Americans only indulge in leveling criticism without extending actual aid to China."

The *Sin Wan Pao* warned that the United States would be the eventual loser if she left Nanking in the lurch in the present crisis.

"What will be the result of American procrastination and hesitation? Can the United States fail to understand that China at present is engaged in a life-and-death struggle and that each day's delay means increased Communist strength? What trick is the United States up to? . . .

"If the United States still fails to have a clear understanding of the present world situation and of her responsibility, there will be a day when she will reap what she has sown."

The Review's English Lesson—LXI

For a text this week, we have chosen part of the editorial entitled "American Dilemma" from last week's issue. After discussing various aspects of present American policy toward China, the editorial goes on:

"In China we think we should follow a policy of non-intervention militarily. We have already aided the Kuomintang tremendously. If it can't make the grade now, it never will. There is also a good chance that when the boys in Nanking realize that the sugar from abroad is cut off, they may bestir themselves a bit and begin liquidating some of their own tremendous personal fortunes and holdings both here and abroad. Promises of aid have not made them any less corrupt or more efficient. Perhaps stoppage of aid will....

"It is a little late for us to try to play the role of impartial benefactor in this country since we have already rolled up a sizable record as number one supporter of the Kuomintang, but we think we should make the attempt. Our interest should be in the Chinese people and not in any governments which they may or may not have from time to time."

Non-intervention: not meddling; has been long used, especially in international dealings, to describe a "hands off" policy. Much more honored in the breach than in the observance.

Militarily: in the military sphere of action. The writer says that the US should not interfere in the present Civil War, with either men or matériel (war supplies).

Make the grade: succeed; the phrase probably is derived from railway parlance, describing the efforts of a locomotive to make (get up and over) the grade (track going uphill).

The boys in Nanking: a breezy way of referring to the group of high functionaries in control of the Government.

The sugar from abroad: "sugar" is money, in this instance referring to relief funds supplied by the US and other foreign governments. Also "heavy sugar," meaning a large sum of money. A slang term, from gangsterland through detective story writers and Hollywood.

Bestir themselves: to move, to act. "Bestir" is now obsolete except for this special use.

Liquidating: to turn into cash; to finish, wind up.

Holdings: property owned. Usually refers to large fortunes.

Corrupt: spoiled; venal; dishonest; morally unfit.

Stoppage of aid will: that is, "will make them less corrupt or more efficient." The words following "will" are omitted to avoid needless repetition.

It is a little late: understatement for irony; it is of course far too late for the US to be "impartial" because of its avowed anti-Communist policy.

Benefactor: one who confers benefits; relief agency or worker; welfare agency; individuals are sometimes referred to as "do-gooders."

Sizable: quite large; great in extent or quantity.

Number one supporter: "Number one": first in place or importance. This whole sentence states that although the US has not been impartial in China, it should attempt to be, even at this late date.

* * *

In answer to the query about correspondence, we shall begin with some observations on personal correspondence, as distinguished from official or business correspondence.

Personal letters are in most general use between friends and relatives. They should be clearly and legibly written; nothing is more exasperating or more of a strain upon friendship than to receive a letter so poorly written that it takes the recipient an hour to puzzle the meaning. In fact, the old rule against the use of a typewriter for personal letters has now gone by the board. We would urge everyone, where possible, to type all letters. What is lost in the more intimate and personal sense is gained in clarity. Those fortunates who have a clear and beautiful handwriting don't have to worry about this point. But even then, if letters are typed, it is possible to make a copy for one's own files. Such a file is almost indispensible, especially if one carries on a large correspondence. The writer can easily find out when he last wrote to a certain person and what he said. The whole file, furthermore, represents the best possible kind of a personal diary, or record of one's doings.

A good letter should be informal, "newsy," informative. It should represent the person writing the letter. A letter should not be half filled with excuses for not writing sooner or oftener, or with protestations that the writer doesn't know what to say. If one can't think of what to say, he probably doesn't want to write that letter anyhow, and should go out to the movies instead.

It is best to put one's address and the date at the upper right-hand corner of the page. The date may seem unimportant, but if one keeps letters, it is usually a good thing to have them dated. Of course, the recipient can date the letter when it arrives, but it is better for the writer to do that himself.

Next, the salutation. This, to a friend, can be simply, "Dear George," written a little lower than the date and address, and at the left-hand side of the page. Then begin the letter, leaving out all the excuses, write as long as you have anything to say, then stop. The ending is best kept simple: "Sincerely yours," "Yours," "Affectionately," etc., depending upon the degree of intimacy between the writer and recipient.

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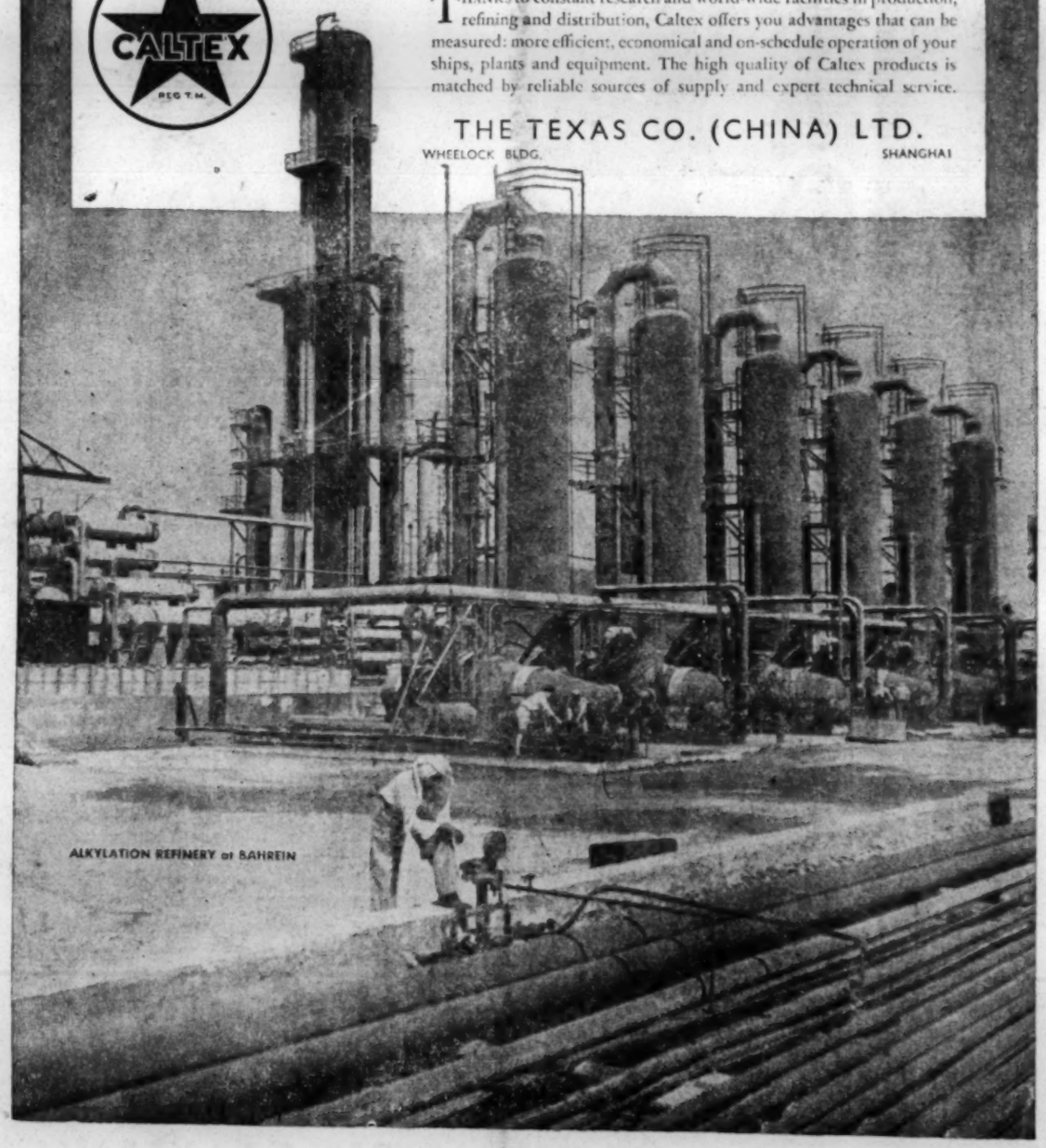

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